

A Case for

Disruptive Innovation:

During times of great disruption,
innovation lights the path.

CRTKL

It may seem futile to think about focusing on innovation at a time of earthshattering global disruption. However, some of the most important innovations of our modern lives have come out of crises. Where might we be today without Uber or Airbnb, for example? Neither of these companies would exist without the foresight to look at the disruption from the 2008 recession as an opportunity for new ventures. In fact, 2009 saw more than half a million new businesses launch and the national index for entrepreneurship rise.

It's no surprise that many industries have been hard hit by COVID-19. As such, organizations are constantly looking to increase productivity using the leanest teams possible. Near-sighted leadership might have the knee-jerk reaction to cut and reduce spending on long-term thinking, strategic projects and new ventures. However, with the fundamentals of our lives being altered from where we live and how approach our work, it forces us to rethink our interactions in almost all aspects of our lives. Now more than ever, with a plethora of new opportunities for growth, is the time for industries to think to the future both 5 days and 5 years ahead.

In making a case for disruptive innovation, long-term, multi-stream thinking is the critical role of innovation and research within our organizations. Perhaps you are a business leader facing hard staffing decisions, or an employee feeling disengaged and mentally exhausted during this unique work from home set-up. Whatever your role or industry, there are **three fundamental tenets that prove the need for innovation now.**





Use innovation programs to engage dispersed teams—*virtually*

Innovation programs can take many forms, shapes and sizes, but all share the goal of increasing the stock of new knowledge and applying it within an organization. It leads to building new capabilities, new skills and new services. Innovation programs are a catalyst where new teams are formed—often across disciplines and geographies—to address and ideate on new solutions. Innovation programs don't always have to look the same.

Innovation sprints, for example, allow participants brief, focused time to ideate, develop and test business solutions with cross-functional teams for a diverse group of possibilities.

Funded research grants, on the other hand, explore specific topics critical to the future knowledge of an organization. For example, at CallisonRTKL we recently launched our [Microgrants Program](#)—an opportunity for the firm to fund small, focused research projects proposed by CRTKL employees matched with advisory from external research and innovation partners.

Intrapreneur programs give internal employees a platform and the resources to create their own innovation. These can range vastly—from customer experience improvements to launching startups. This is one of the most cost-effective solutions towards innovation, but also requires the backing of leadership—which is critical to its success.



The nature of this blue-sky cross-cultural thinking leads to more engaged and curious employees that thrive. Also, frankly, businesses can't afford not to invest in employee engagement strategies that work. SHRM (Society of Human Resources Management) says that direct replacement costs can reach as high as 50%-60% of an employee's annual salary.

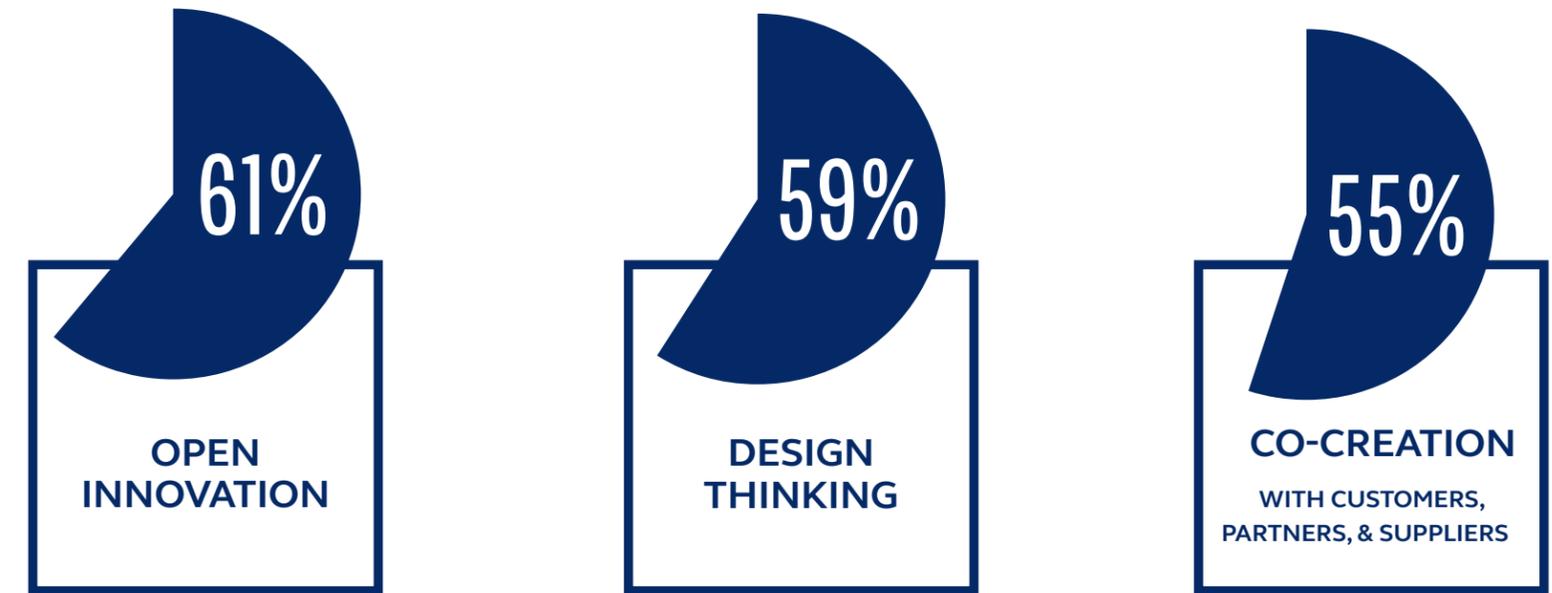


Create a *balanced innovation ecosystem*

Much like a diversity of species is critical to the vitality of our oceans, it's also important to put in place a diverse ecosystem of innovation platforms. Just like how not everyone learns in the same manner, not every team innovates in the same way. We must provide a range of innovation opportunities for employees in scale (small learning opportunities to formal academic partnerships to discover new knowledge), topic (from business critical issues to exploring future edge strategies) and timeline (thinking about everything from small process changes to help do work faster to groundbreaking discoveries that will propel the organization into new directions).

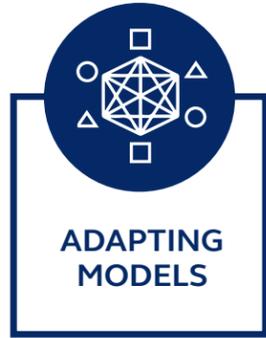
At CallisonRTKL, for example, we support everything from informal knowledge sharing networks to a more formalized [Global Research Fellowship Program](#): a program wherein a select number of appointed individuals act as a diverse brain trust. With expertise spanning across the firm, they drive regional innovation impact.

It's important to remember it's not about how much you spend on innovation and research, but rather how you diversify your spending. "The relationship between a company's level of innovation spending and economic success is, however, tenuous at best", according to PwC's Global Innovation 1000 study. Noting that success is tied to ensuring your innovation programs brings a variety of parties to collaborate. Successful companies use formats like, "open innovation (61%), design thinking (59%), and co-creation with customers, partners, and suppliers (55%) are all far more prevalent models today than traditional R&D (34%)"



Innovation programs and research creates future resiliency. They allow organizations to adapt to future global crises as research creates better interdisciplinary thinking and bridges sectors and industries. In terms of small scale, some short terms solutions include company-wide, weekly industry trend report summaries. On the large scale, large investments include innovation outposts-- physical spaces where dedicated people within an organization sense trends, connect with local startups and host partners or events. This is also great for trading knowledge with startup community and partnerships; it can be difficult and expensive to maintain connection with primary businesses and main offices.

[Source: PwC's Global Innovation 1000 study](#)



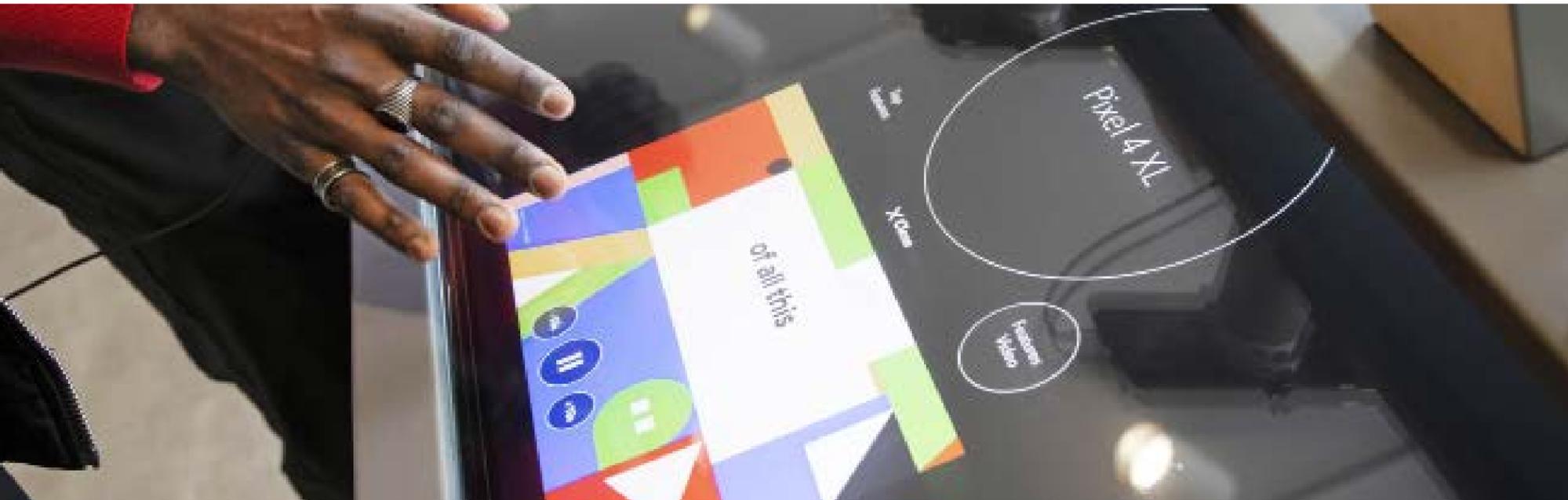
***Adapt models* from outside your industry**

“Innovation is a willingness not to be understood for a long period of time,” Peter Schwarzenbauer, chairman of BMW.

Admittedly, putting innovation into practice can be a challenge. It can be hard to justify time spent on innovation when the payoff is further down the line. Organizations should look to industries outside their own for examples on how to raise their own bar of innovation.

For example, we may look to the widely successful examples of hackathons within the tech sector. Hackathons these days aren't just hosted by the tech giants like Google; other industries like banking and healthcare are getting in on the action, too. Companies with innovation outposts like [Capital One Labs](#) host internal hackathons for a variety of internal innovation, such as building prototypes, pitching ideas to senior business and technology leaders, creating new products, introducing new capabilities and adopting new solutions. However, one must be mindful and adjust for scope, resource availability and ease of implementation. At CallisonRTKL for instance, we leverage a platform we built with [Bright Idea](#) that serves as an always-open idea collection site. Allowing us to pose specific questions or topics and effectively evaluate them across our organization.

Open innovation programs, like a hackathon or internal incubator, invites startups to incubate in physical locations for rapid prototyping and faster go-to-market. The downside, then, can be that they are sometimes siloed from the rest of the company's innovation agenda and can be expensive to host.



The way out and forward is about *focus*

No matter your resources, objective or scale, we believe that investing in innovation programs is critical to the future success of organizations. To add to the mounting evidence, data from the 2001 recession shows that companies that invested in innovation during economic downturns [improved their position relative to their competitors](#) during the recovery period-- proving that during times of great upheaval, the way out and forward is to focus on disruptive innovations.

Resources

For the latest on CallisonRTKL research and insights, visit:
<https://www.callisonrtkl.com/research/>

Interested in starting a conversation about how to focus on innovation solutions within your organization? Reach out to research@crtkl.com

Author Bio

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Sam recently joined CallisonRTKL in the Washington, DC office as the firms' Senior Research Strategist. He is an experienced corporate innovation and strategy leader. With 10 years of broad industry experiences, he leverages his unique architecture and business background to grow ideas and launch new services. He develops breakthrough corporate innovation programs and connects research findings to enhance clients understanding of their industries and people.



CallisonRTKL, a global architecture, planning and design practice, began over seven decades ago and has evolved into a cultural agency to advance positive outcomes in our local and global communities. Through a human-centric design approach, our team addresses the imperatives of resiliency, well-being, mobility and technology and their influence in the built environment.

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